

REICH OWES MEXICO \$6,000,000 OIL BILL

Monopoly to Ask Government
to Appropriate Nine German
Ships if Debt Is Not Met

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Wireless to THE NEW YORK TIMES.

MEXICO CITY, Sept. 13—Germany's debt to Mexico for oil amounts, according to the best unofficial sources, to about \$6,000,000. The idea to seize German vessels in Mexican ports if this debt was not paid was one of the first that came into Mexican minds.

It is understood that the Mexican oil monopoly, after exhausting legal processes for recovering the money owed it, intends to petition the government to expropriate German ships. There is reason to believe that the government already is looking into the legal aspects of the situation but it is not thought that anything will be done till the Mexican oil monopoly has been unsuccessful in its attempt to secure payment of the debt by ordinary means.

German ships in Mexican ports at the present moment number nine, of which five are at Tampico, three at Veracruz and one at Puerto Mexico. They include two passenger ships, four freighters and three tankers. Mexico would be particularly glad to obtain the tankers, since she has urgent need for this type of ship and she almost has abandoned the hope of obtaining early delivery of tankers ordered in Italy in exchange for oil under a barter agreement.

Meanwhile a complete change in the government's oil policy in the sense of the adoption of an attitude of greater liberality toward small, independent companies while maintaining intransigence toward powerful, expropriated companies, was seen today when it was learned in Mexican circles that a permit to drill new wells was issued yesterday to a company incorporated under Mexican law but whose capital was believed to be mainly Japanese.

This is the first permit of a similar nature that has been issued, indeed the only concession made to a private company with foreign capital since the expropriation eighteen months ago.

The company that obtained the drilling permit is named the Compania Petrolera Veracruzana. Incorporated under Mexican law, it appears as a Mexican company, but it is common knowledge in Mexico City that its capital is mainly, if not entirely, Japanese. Its offices in Mexico City are run by a Japanese staff and at least one Japanese doctor is among the registered stockholders. Its capital is small, but it is understood to have financial backing to the extent of \$15,000,000. It owns tracts of oil lands running into many thousands of acres.

In the past the Japanese have been prevented from buying Mexican oil because bulk production is on the Gulf of Mexico side and the cost of shipping oil through the Panama Canal is prohibitive. Now the plan is to transport the crude oil in tank cars by rail to Salina Cruz, whence it will be shipped directly to Japan.

WILLEMSTADT, Curacao, Netherland West Indies, Sept. 13 (UP)—Seven German ships, tied up here since Great Britain's declaration of war against Germany, and two more freighters at Aruba were libeled for debt today by Kleinwort Sons & Co. of London.

The action was filed through local attorneys, who said approximately 1,000,000 guilders [the guilder was quoted at 53.13 cents yesterday] was owed the London insurance and banking firm.

